



# CEO News & Views

Bruce Schroffel

## A New Inpatient Tower?

Life around UCH is always an adventure, but last week was a whirlwind.

For example, we now find ourselves exploring options that may let us build a second inpatient tower a lot sooner than we'd expected.

The hospital and the Department of Veterans Affairs (VA) are in negotiations that could end with us building a new tower contiguous to the Anschutz Inpatient Pavilion. We would lease three or four of the floors to the VA to use for inpatient care. The VA would staff and operate those floors, but purchase lab, pharmacy, radiology, operating room and other services for its inpatients from UCH. UCH would own the building, and provide care to our patients on all the other floors

These talks, I hasten to add, are preliminary. We have miles to go – and many financial, logistical, legal and even legislative obstacles to overcome – before such a tower could ever become a reality. Every deal, moreover, remains fragile and prone to collapse before it is finalized. In other words, none of us should count on this coming to fruition.

But we think these talks are worth pursuing for several reasons. First, this model would get us a second tower sooner, and expand our bed capacity dramatically. Second, a partnership with the VA could accelerate the creation of a regional center of excellence, building upon the synergies that already exist among the organizations. And finally, and perhaps most important, it will expand access to world-class care for both veterans at the VA and the citizens who come to UCH.

Exact building plans, as you might imagine, don't exist yet. The VA would share some of the costs of construction of both the tower and a new parking garage.

## More VA Partnerships

The VA is also pursuing several other projects in and around our campus, including a research tower to be shared with UC Denver, an outpatient facility and a nursing home. Earlier this week, it also agreed to buy the University Physicians Inc. building at Colfax and Wheeling. It would use it for VA administrative offices.

## Building Next Year's Budget

Back here on Planet Earth, we have tallied all the budget requests people have made for Fiscal Year 2009, which starts on July 1. The bottom line: our requests added up to \$31 million (!) more than what we can spend.

Next, we'll be whittling down those requests. While I know it is not a fun experience, it is a necessary one. As I mentioned earlier, we are committed to building a "rock solid" financial platform for ourselves that will not only provide shelter on rainy days, but lift us even higher as a great place to work and a great place to get care, and afford us the opportunity to build for the future.

## An Honor For Anthony DeFurio

Speaking of budgets, on Thursday the *Denver Business Journal* named Anthony its Nonprofit Business CFO of the Year. I like to believe we've long recognized Anthony for his great work installing rigorous controls and processes and helping to restore us to financial health since his arrival in late 2006. It's been a major, complete financial turnaround of a very complex organization. It's only

fitting that the rest of the business community recognizes his work, too.



Anthony DeFurio

## Encouraging News From D.C.

Between the talks with the VA and the upcoming climax of the debate over Disproportionate Share Hospital (or DSH) funds, I've been back and forth to Washington, D.C. several times during the past few weeks.

As you may recall, the moratorium on a Centers for Medicare and Medicaid Services (CMS) rule that would in effect stop the \$30 million DSH payments we get expires on May 25. At that point, we would no longer be reimbursed at all for the care we give un- or under-insured patients. Among the possible repercussions is that we might have to limit or even stop treating Colorado Indigent Care Program patients in about a month.

There have been numerous efforts to extend the moratorium. Last week the U.S. House passed a bill to extend it. The U.S. Senate will begin considering a similar bill this week. If it is approved, the House and the Senate probably have to create a compromise version, vote on it and ultimately send it to the White House for signing or veto.

The president – who proposed this rule change as a money-saving measure – has threatened to veto legislation like this. The approval vote in the House last week, anyway, was big enough to override a veto.

Meanwhile, state-level attempts to clarify our eligibility – as well as the eligibility of the other "safety net" hospitals in the state – to continue getting DSH funds even if the CMS moratorium ends May 25 progress through the state legislature this week.

Keep up the pressure.

Thank You,

  
Bruce Schroffel, President and CEO

